
2022 OPERATING BUDGET BRIEFING NOTE

Equity Impacts of Changes in the 2022 Staff Recommended Operating Budget

Issue/Background:

Equity Responsive Budgeting at the City of Toronto embeds equity impact analyses throughout the development and decision-making stages of the budget process. Staff review and report on how service level reductions, revenue changes, and new or enhanced services in the 2022 Staff Recommended Operating Budget impact Indigenous, Black and equity-deserving groups.

This Briefing Note:

- provides an overview of Equity Responsive Budgeting,
- outlines the process City staff used to identify the potential equity impacts of changes in the 2022 Staff Recommended Operating Budget,
- summarizes budget changes with significant equity and reconciliation impacts, and
- responds to Council direction ([EX25.1](#), Item 12) to identify any unfunded and underfunded equity-focused programs and services that have been endorsed or adopted by City Council during the current term.

The 2022 Staff Recommended Operating Budget includes 64 investments with equity impacts, all of which are positive. No investments included in the 2022 Staff Recommended Operating Budget have indicated a negative equity impact. The 2022 Staff Recommended Operating Budget avoids service level reductions (outside of public health requirements) and continues to enhance investments to advance Council approved equity strategies including the Confronting Anti-Black Racism Action Plan, Poverty Reduction Strategy and actions to advance the City's commitments to reconciliation.

Equity Responsive Budgeting is a key piece of the City's equity and reconciliation infrastructure. Implementation of the Equity Responsive Budgeting process is led through a collaboration of the Social Development, Finance and Administration Division, the Financial Planning Division and the People and Equity Division.

Equity Responsive Budgeting at the City of Toronto

Equity Responsive Budgeting is a process adopted in many jurisdictions that supports informed budget decisions that respond to the unique barriers and needs of Indigenous,

Black and equity-deserving groups to advance equity and reconciliation. At the City of Toronto, the focus of Equity Responsive Budgeting has been to generate analyses of how service level changes, revenue changes, and new or enhanced investments in the Staff Recommended Operating Budgets impact Indigenous, Black and equity-deserving groups. This analysis is provided to inform the budget development, debate and decision-making processes.

Equity Responsive Budgeting at the City of Toronto has progressed significantly since it began in 2016. Initially, a panel of subject matter experts and representatives from organizations serving Indigenous, Black and equity-deserving groups analyzed the equity impacts of a narrow scope of budget proposals in the Staff Recommended Operating Budget. Since then:

- the scope of the budget under review has increased,
- City staff have continued to build the capacity to lead the equity impact analysis, and
- equity impact analysis has been incorporated into the analytical and reporting systems of the City's budget development process.

In past years, an External Review Panel was convened to provide feedback on the quality of staff generated Equity Impact Statements and identify additional equity impacts; this review did not occur during the development of the 2022 Staff Recommended Operating Budget. This year, staff engaged a newly formed Equity Advisory Group convened by the People and Equity Division. This group is comprised of 17 community members, with relevant and varied organizational affiliations, intersectional identities and lived experiences. The group was provided with an orientation to the City's Budget process, including major considerations in the development of the 2022 Staff Recommended Operating Budget. Some members of the Equity Advisory Group indicated concern that the review of individual business cases by an external review group was not completed this year. The Equity Advisory Group's feedback will be considered as the work advances. It is anticipated that the Equity Advisory Group will contribute to the ongoing work to strengthen the City's equity and reconciliation infrastructure.

In previous years, members of the External Review Panel as well as other advocates, advisory groups, and residents have emphasized the need for the City to better embed equity and reconciliation considerations and analysis into the planning, implementation, and evaluation of City programs, policies and services, acknowledging that budget decisions are driven by policy and program decisions. Focusing the equity impact analysis solely at the budget stage for new and enhanced items only, once the initiative or policy is already developed, will not advance equity and reconciliation effectively. Equity impact analysis at the budget stage is most significant and useful if the equity and reconciliation analysis has been embedded throughout the development of the initiative; this not only enables funding decisions to be informed by robust equity analysis but also ensures the equity and reconciliation initiatives themselves are robust and well-developed. City staff will continue to engage and work with residents, advisory

bodies, and community groups to strengthen the City's equity and reconciliation infrastructure.

Implementation

All City Programs and Agencies are required to apply an equity impact analysis to budget change proposals in the Staff Recommended Operating Budget, including:

- service level changes (reduction in existing program or services),
- revenue changes (changes in user fees beyond inflation), and
- new and enhanced services (new programs/services, expansion of existing programs/services).

For each budget proposal, staff prepare an Equity Impact Statement that:

- indicates whether the proposal will have a negative, positive or no impact on equity,
- identifies the affected Indigenous, Black or equity-deserving group(s),
- describes how the proposal decreases or increases barriers to equity, and
- evaluates the level of impact (low, medium, high).

The Equity Impact Statements are embedded in the business cases (the budget proposals) and are available to senior leadership throughout the budget development process to support decision-making. To support Council's decision-making and the public budget debate, Equity Impact Statements for budget changes included in the Staff Recommended Operating Budget are included in the Programs and Agencies Budget Notes. They are also summarized in this Budget Briefing Note and included in Attachment A.

Programs and Agencies were required to identify a staff lead responsible for reviewing and approving their Equity Impact Statements. Programs and Agencies had access to training, resource materials, and an online Equity Lens Tool to help examine the potential impact of budget proposals on Indigenous, Black and equity-deserving groups.

Challenges and Opportunities

As noted, for the 2022 Equity Responsive Budgeting process Programs and Agencies were required to designate staff leads to review and approve their Equity Impact Statements as part of ongoing efforts to build the equity analysis capacity of Programs and Agencies. In previous years, significant support was provided by the Equity Responsive Budgeting team however this level of support could not be provided this year. The quality of the analysis decreased as a result of limited staff resources to provide centralized oversight to review the Equity Impact Statements. These challenges indicate the need to continue strengthening the City's equity and reconciliation infrastructure, and reinforce the need to continue building staff capacity and expertise to effectively conduct equity analyses. To successfully embed equity and reconciliation considerations not only in the budget process, but in the planning, implementation, and evaluation of City programs, policies, and services, it is critical that there is a continued

focus on and investment in building the capacity of Programs and Agencies to understand and apply equity and reconciliation considerations.

Over the last several years, the City's commitment to equity and reconciliation has increased with the development of multi-year strategies and action plans including the Confronting Anti-Black Racism Action Plan, the Poverty Reduction Plan, HousingTO as well as the emerging Gender Equity Strategy, the Data for Equity Strategy, SafeTO and the forthcoming Reconciliation Action Plan. In the course of its engagement during the development of the 2022 Staff Recommended Operating Budget, the Equity Advisory Group emphasized the importance of these, and similar, strategies and action plans being clearly articulated, costed and reported, with accessible mechanisms for community engagement and oversight. They also suggested that in the current budget process there is limited opportunity both to analyze the Budget as a whole to determine how it supports equity and reconciliation priorities and to reallocate funds to equity and reconciliation priorities.

Equity Impacts of Changes to the 2022 Staff Recommended Operating Budget

The 2022 Staff Recommended Operating Budget avoids service level reductions and continues to enhance investments to advance Council approved equity strategies including the Confronting Anti-Black Racism Action Plan, Poverty Reduction Strategy and actions to advance the City's commitments to reconciliation.

The 2022 Staff Recommended Operating Budget includes 64 investments with equity impacts, all of which are positive. There are no reductions in the 2022 Staff Recommended Operating Budget and none of the investments have indicated a negative equity impact.

For a full list of budget cases with equity impacts, see Attachment A.

- *Due to timing, staff did not have the opportunity to review the Equity Impact Statements included in the Toronto Transit Commission Budget Notes.*

Summary of Budget Changes with Positive Equity Impacts

Below is a summary of the budget changes with positive equity impacts. There are no budget changes with negative equity impacts.

- **Investments in Reconciliation**

The 2022 Staff Recommended Operating Budget includes proposals totalling \$3.8 million that advance the City's reconciliation priorities and strive to improve outcomes for Indigenous people in Toronto. This includes an investment of \$1.4 million for the Indigenous Affairs Office to implement the Reconciliation Action Plan, which will contribute to Indigenous self-determination, truth and reconciliation. This investment

includes funding for community engagement and grants related to implementation of the Reconciliation Action Plan. Also included in the 2022 Staff Recommended Operating Budget is a proposal to establish an Indigenous Education staffing team within the People and Equity division to design and deliver Indigenous-specific education and plan for how the City will recognize and contribute to the National Day for Truth and Reconciliation.

The 2022 Staff Recommended Operating Budget includes investments through Economic Development and Culture for start-up funding for the Indigenous Centre for Innovation and Entrepreneurship, including support for project management, facility development, operator selection, and staffing. The Indigenous Centre for Innovation and Entrepreneurship will provide Indigenous residents and business owners with a safe, supportive space and resources to further develop entrepreneurial skills, grow Indigenous-led businesses, and celebrate Indigenous culture and community.

Also included is an investment of \$0.42 million through Parks, Forestry and Recreation for Phase One of a Reconciliation and Indigenous Placemaking Work Program. This program will increase operational support to prioritize and facilitate Indigenous communities' access to and use of parkland and ravines. Funds will be invested in Indigenous organizations and communities for policy development, research, design and construction related services, and support an Indigenous Advisory Group of knowledge keepers and community members to provide advice on placemaking priorities and projects.

The 2022 Staff Recommended Operating Budget also includes investments to advance the City's priorities related to both reconciliation and anti-Black racism, including funding for Children's Services to advance priority actions to support reconciliation and confront anti-Black racism within the early years and child care system, and funding to Shelter, Support and Housing Administration to support the advancement of equitable outcomes for Indigenous and Black service users through enhanced data collection, monitoring, and program analysis.

- **Investments in Confronting Anti-Black Racism**

The 2022 Staff Recommended Operating Budget includes a number of proposals to advance the Confronting Anti-Black Racism Action Plan and the Black Food Sovereignty Plan. These investments include additional staffing resources for Social Development, Finance and Administration to support coordination and implementation of these initiatives in order to remove systemic barriers for Black communities and address chronic food insecurity. Also included is a proposed investment through the Economic Development and Culture Division to partner with not-for-profit organizations to develop start-up food and beverage production programming for Black Torontonians and increase access to community kitchens.

The 2022 Staff Recommended Operating Budget also proposes \$0.509 million for implementation of a Black Funding Framework that will provide grants to Black-led

community groups and organizations that are working to strengthen the health and well-being of Black Torontonians and that have been historically underfunded.

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- **Investments in Policing Reform**

The 2022 Staff Recommended Operating Budget includes an \$11 million investment, including \$8.5 million in new and enhanced funding, to implement the Community Crisis Support Services Pilots in four areas of the City through community-led mobile teams that will respond to crisis calls received by two intake points (211 and 911). Pilots will test a new community-led approach to mental health emergency calls, including those involving persons in crisis and wellness checks. Mobile teams will be staffed by persons with lived experience or professional experience in mental health and non-violent crisis. These pilots will help build confidence in public safety and potentially lead to better outcomes in safety and security for Indigenous, Black, and equity-deserving communities that face over-policing and have concerns regarding police interactions, and will increase community-led solutions that connect people in crisis to much needed mental health and addiction services and programs.

- **Investments in Community Safety and Well-Being**

The 2022 Staff Recommended Operating Budget includes an investment to Social Development, Finance and Administration's budget to implement SafeTO: Toronto's Ten-Year Community Safety and Well-Being Plan. This investment will support the first year of implementation, including the development of a comprehensive gun violence reduction plan, the development of a multi-sector data centre, and additional support for community and partner engagement.

The 2022 Staff Recommended Operating Budget also includes a \$2 million investment to Social Development, Finance and Administration to enhance the Community Crisis Response Program, which will increase support to communities most impacted by community violence and provide localized investments to support healing and resiliency-building in activities in neighbourhoods that have recently experienced fire-arm related violence. Based on existing program data, approximately ninety percent of existing supports and funding are accessed by equity-deserving groups.

The 2022 Staff Recommended Operating Budget also includes investments through Toronto Public Health for overdose prevention and response programs to address the drug poisoning emergency that has worsened significantly since the start of the COVID-

19 pandemic. These investments include enhanced resources for the Toronto Drug Strategy Secretariat to move forward the work on an alternative to drug criminalization, refresh the Toronto Drug Strategy, and further advance implementation of the Toronto Indigenous Overdose Strategy. Other proposals include expansion of the Overdose Outreach Team to allow additional resources in shelters and other settings such as parks and drop-in centres, enhanced programming for The Works program, Mobile Supervised Consumption Services to provide support for people in communities outside of the downtown core, and an expansion of the Injectable Opioid Agonist Treatment Program which will allow for an increase in the number of clients served.

- **Investments in Housing, Shelter and Homelessness Services**

The 2022 Staff Recommended Operating Budget includes investments to support those experiencing homelessness. This includes a \$1 million investment to expand the Eviction Prevention in the Community (EPIC) program. This investment will enhance staffing capacity to respond to the demand and need for eviction prevention services. An intersectional analysis reveals that many people experiencing homelessness in Toronto are from Indigenous, Black and equity-deserving groups.

The 2022 Staff Recommended Operating Budget also includes a number of investments through Shelter, Support and Housing Administration for additional staff positions or the conversion of temporary positions to permanent positions. These investments will support consistent staffing levels and service delivery of the City's emergency shelter and homelessness prevention programs.

The 2022 Staff Recommended Operating Budget also includes a \$3.122 million investment to support the City's affordable housing strategy. These investments will enhance the capacity of the Housing Secretariat to deliver the commitments of the HousingTO 2020-2030 Action Plan, which aims to increase access to affordable housing to low-income households, including those disproportionately impacted by homelessness and housing instability. The 2022 Staff Recommended Operating Budget also includes a proposal for the creation of a new City Housing Corporation Unit through Shelter, Support and Housing Administration to provide strategic and service manager oversight for Toronto Community Housing Corporation and Toronto Seniors Housing Corporation. This investment will support improved service delivery to low-income tenants.

- **Investments in Seniors Services and Long-Term Care**

A number of investments through the 2022 Staff Recommended Operating Budget seek to advance long-term care reform, including a \$16 million investment to advance emotion-centered care and add nursing and allied healthcare staff to meet Ministry-funded direction to increase care hours for residents to improve the health, safety and quality of life of long-term care residents. The investments will also support training of all staff on the Emotion-Centered Care Model currently being piloted at Lakeshore Lodge.

These investments will enhance the City's ability to continue to provide services to high-needs seniors and others requiring long-term care.

The 2022 Staff Recommended Operating Budget also includes an investment in the expansion of the Seniors Services Unit to ensure sufficient staffing levels to implement all initiatives in the expanded mandate related to municipal service planning and oversight of seniors housing to approximately 15,000 low-income seniors tenants.

- **Investments in Community and Economic Development**

The 2022 Staff Recommended Operating Budget includes resources to procure a consultant to advance the development of the Little Jamaica Cultural District Master Plan and a Cultural District Designation for Toronto. The Little Jamaica Cultural District Master Plan aims to protect and enhance the African, Black and Caribbean businesses along Eglinton Avenue West.

The 2022 Staff Recommended Operating Budget also includes funding to support the sustainable operations, capacity building, and community safety services at the Alexandra Park Community Centre. This funding will support the provision of low-barrier services, sustain early intervention efforts for youth most vulnerable to violence, and enhance food security programs.

- **Investments in Service Access**

The 2022 Staff Recommended Operating Budget includes the elimination of adult and teen fines at the Toronto Public Library. Library fines pose significant barriers to library use for many equity-deserving populations, with Toronto Public Library data demonstrating that library cards in racialized and low-income communities are blocked at a higher rate than other communities. Eliminating overdue fines will increase access to library resources and support the well-being of children, youth and families, particularly for equity-deserving groups.

The 2022 Staff Recommended Operating Budget includes an investment through Toronto Employment and Social Services for a one-year enhancement to the Investing In Families tuition benefit, which will increase access to academic and tutoring supports targeted to youth aged 14 to 17 from low-income families in order to address challenges and learning losses that resulted from the transition to online schooling through the COVID-19 pandemic.

- **Investments in Child Care and Early Years Workforce**

The 2022 Staff Recommended Operating Budget includes a \$30.6 million investment, funded through the Child Care and Early Years Workforce Funding Agreement, to support the retention and recruitment of a high-quality child care and early years' workforce. This investment will facilitate Children's Services to embed an anti-oppressive and anti-racist lens to early childhood education, improve the inclusiveness

of early years programs, and support the recruitment, retention and professional development of a diverse and inclusive child care and early years workforce.

Response to Council Direction to Identify Unfunded and Underfunded Equity Initiatives

In July 2021 ([EX25.1, Item 12](#)) Council directed staff to report through the 2022 Budget process on Council adopted and endorsed programs, services, and policies intended to support the well-being and prosperity of equity-deserving groups that are unfunded or underfunded.

Significant investments have been made through the Operating Budget to advance the City's equity and reconciliation priorities since 2018. Between 2018 and 2021, a total of \$368 million in new and enhanced investments have been made through the Operating Budget, and a significant portion of this investment contributes to advancing the City's equity and reconciliation priorities. Highlights include:

- investments in the Poverty Reduction Strategy, Transit Fair Equity Program, Confronting Anti-Black Racism Action Plan, Housing TO 2020-2030 Action Plan, and Community Benefits Framework,
- establishment of the Indigenous Affairs Office, Data for Equity Unit, and Gender Equity Unit,
- establishment of the Community Crisis Support Services Pilots and the TOWards Peace Program, and
- investments in compliance with the Accessibility for Ontarians with Disabilities Act (AODA) to improve/strengthen accessibility.

Staff undertook a detailed process to review past budget notes in order to ensure due diligence in response to Council direction for any unfunded or underfunded programs. Staff reviewed 54 Program and Agency budget notes and materials for new and enhanced funding from the period of 2020¹ to 2021 to identify and validate a summary of unfunded initiatives in the Operating Budget. Each item was validated against the 2020 to 2021 Budget processes to determine:

- if the item was funded or partially funded,
- if the item had been withdrawn,
- if the item had been addressed through other initiatives, or
- if the item had been addressed through the 2022 Budget or was deferred to 2023.

The results of this analysis were validated with Financial Planning Program analysts, and reviewed against the consolidated summary of the final 2022 Staff Recommended Operating Budget.

¹ Starting in 2020, Budget Notes included an appendix with reference to unfunded programs. This appendix was not included prior to 2019.

Quantifying programs, services and policies that are underfunded is a difficult and nuanced process. Not all programs, services, and policies are fully costed when adopted or endorsed by Council. There are key considerations in terms of phasing in the development and delivery of programs, services and policies, including emerging priorities and need, resource availability and funding envelopes, implementation capacity, or the negotiation with other orders of government. These key considerations impact funding decisions in order to have the greatest impact on the most important outcomes; given this nuance, staff focused the review on identifying unfunded initiatives.

Staff have identified only the following items unfunded in the period of 2019-2021:

- Toronto Public Library submitted three initiatives in 2020, 2021 and in Appendix 5 of Toronto Public Library's 2022 Budget Note. New and enhanced service priorities not included are:
 - Digital Literacy for Seniors (\$0.206 million)
 - Community Librarians Outreach Program (\$0.104 million), and
 - Open Hours Plan (\$8.321 million net impact that reflect an expected request from the Library Board as part of next year's budget process and is included in the 2023 Budget Outlook).

The review indicates that the majority of Council directed equity-focused initiatives within the City's operating budget have been advanced, with few unfunded equity-focused initiatives in the period of 2020 to 2021.

Since 2020, unfunded programs or policies referred to the budget process have been detailed within applicable Budget Notes. For any unfunded initiatives submitted to the 2022 Budget Process, refer to Appendix 5 information in each of the Program and Agency Budget Notes.

Next Steps

Equity Responsive Budgeting is an important tool within the City's equity and reconciliation infrastructure. To advance the City's commitments to equity and reconciliation, and to properly support Equity Responsive Budgeting, equity considerations need to be embedded not only in the budget process, but in the planning, implementation and evaluation of City programs, policies and services. To do this, the City will need to continue to strengthen the equity and reconciliation infrastructure; the Equity Advisory Group and other advisory bodies and stakeholders will be engaged in this work.

Attachments

Attachment A: List of 2022 Staff Recommended Operating Budget Changes with Equity Impacts

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